CALPEEK

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ISSA PULLS PLUG ON U.S. SENATE CAMPAIGN SO HE CAN FOCUS ON THE RECALL OF GOV. GRAY DAVIS...

Editor's note: U.S. Rep. Darrell Issa(R-Vista) has made it official: he's out of the GOP U.S. Senate primary battle in 2004 and instead will focus his efforts to qualify a recall against Gov. Gray Davis(D). Will Issa run for governor if the recall qualifies? Perhaps, but that's still up in the air. Here is ***Calpeek's*** analysis & commentary...

...Sources say that Issa pretty much made up his mind in mid-March that he would not seek the U.S. Senate seat now held by Barbara Boxer(D). Oddly enough, some ***Calpeek*** sources began to suspect that Issa would bow out of the U.S. Senate contest as early as Feb. 21-23 – the weekend of the Calif. Republican Party convention in Sacramento. He was scheduled to be rather *high-profile* at the CRP convention, but suddenly scrapped his plans...

...Regardless, Issa is now committed to help the two recall committees gather the signatures. However, there are limits to what Issa, a guy with very *deep pockets*, will do. When Issa landed in Sacramento April 23rd, the recall groups (read that as Ted Costa & former CRP Chair Shawn Steel and GOP consultant Sal Russo) were ecstatic because raising money has been very difficult. In order to qualify this recall, backers need to collect about 1.1 million signatures before Sept. 2nd – a 160-day deadline. Most sources say the two recall groups need about $2 million so they can hire a professional petition circulator. At most they perhaps have about $200,000. When the Issa story broke on April 24th, recall supporters claimed about 61,000 + another 20,000 from the second committee. As ***Calpeek*** hit deadline, the recall group(s) claimed 100,000 signatures...

...What Issa will and won't do. The initial story was that Issa was in the recall big time, with big bucks and would run. But in later interviews, Issa backed away from that earlier stand. Sources say Issa ***isn't*** going to write a big check, but instead will help raise money for Costa's effort; this probably involves writing a pitch letter to GOP contributors. He'll also encourage his GOP friends and contributors to assist Costa. And sources say he'll help fund some grassroots efforts which are independent of the recall. Additionally, he'll "lend" Costa his consultant, Orange Co.-based Scott Taylor...

...Of course, Demos are **not** sitting on their hands. Issa's entry into the recall drive has set off Davis' chief spin MD & advisor Garry South AND CA Demo Party's spin MD, Bob Mulholland. Mulholland is spinning a negative version of the old tv show ***This Is Your Life – Darrell Issa***. Everything negative from Issa's past has been dug up, including a very negative story by Eric Lichtblau of the *L.A. Times*. That particular story was very damaging to Issa's 1998 run for the U.S. Senate in the GOP primary. Many thought Issa was leading CA Treasurer Matt Fong until that May 23, 1998 story broke. Mulholland is faxing excerpts from that article to political insiders and news media types. Taylor, who ran Issa's U.S. House race in 2000, says he isn't concerned – saying that the congressman's 2000 GOP primary opponent, State Sen. Bill Morrow, used the Lichtblau story extensively in their battle and Issa still won. Stay tuned...

NEW FIELD POLL SHOWS CALIFORNIANS ARE VERY PESSIMISTIC ABOUT THE STATE'S BAD ECONOMY...

Editor's note: The newest Field Poll indicates ***73%*** of all Californians now describe the State as being in bad economic times. According to the Field Poll, this represents the public's most pessimistic assessment of the State's economy since 1994. The key question: ***will the Bush tax cut plan to stimulate the economy be approved???*** Here's our analysis & commentary...

...Two years ago, ***64%*** of those questioned felt Calif. was in good economic times – so this newest Field Poll is almost a total reversal. And ***20%*** report that over the past 12 months they or someone in their household was either laid off or left a job because they expected to be terminated...

...This pessimism is much more pronounced in No. Calif. than So. Calif., especially in the Silicon Valley, where high tech companies have really taken it on the economic chops. The downturn in the high tech stocks and the drop in State revenues (from capital gains taxes) is one reason Calif.'s

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budget is so deep in the red. As for a recovery next year, ***35%*** expect the economy to improve; ***35%*** say it will stay the same; and ***25%*** think the situation will get worse. Not especially good news…

…Politically, as most ***Calpeek*** readers are aware, the total Bush tax cut plan of $726 billion (over 10 years) appears to be in *deep trouble* – and not because of Demo opposition. There's GOP civil war between the hardline, pro-Bush conservatives in the U.S. House (willing to give Pres. George W. Bush most of what he wants) VS. the Republicans in the U.S. Senate. House GOPers have a plan for a ***$550*** billion tax cut package VS. a ***$350*** billion tax cut plan in the U.S. Senate. In the Senate, GOP Senators Olympia Snowe of Maine, George Voinovich of Ohio and Senate Finance Chair Charles Grassley of Iowa are holding firm on the $350 billion figure **unless** lawmakers and/or the White House can find some offsets (closing tax loopholes or expand revenues) to pay for the ***key part*** of the Bush plan – the ending of double taxes on dividends…

…One half of the Bush package includes accelerating the $1.35 trillion in tax cuts of 2001 + accelerated write-offs for small businesses (this will stimulate the economy and Demos generally don't have a problem here); plus marriage penalty relief + child credits. Most of these cuts were **not** set to kick in until the mid 2000s or even later, meaning NO stimulus. In other words, the 2003 plan simply speeds into place what should have been done in 2001…

…The other half of the Bush tax cut plan involves the ending of ***double taxation on dividends*** in hopes of boosting growth and possibly causing corporations to pay taxes. The ending of double taxes on dividends would be phased in over time, so some think the stimulus impact would be marginal. Bush's dividend plan is in *trouble* and now U.S. Rep. Bill Thomas(R-Bakersfield), chair of the powerful Ways & Means Cmt., has come up with his own proposal to make this complex plan much simpler. Bush's dividend plan will cost about $364 billion over 10 years vs. the Thomas plan which would cost $234 billion through 2013. Thomas' plan would do away with the complex *excludable dividend accounts* (set up by the corporations) and instead just tax all dividends at a lower rate – 18% instead of 38.6%. Thomas' plan may be gaining some support, but without offsets, Grassley and deficit hawks won't go for it…

…The Politics of Tax Cutting. If Pres. Bush insists that the dividend center piece be included with no offsets to keep growing deficits down, the U.S. Senate may just totally balk and not pass any tax relief. This would be a political disaster for the White House. The right wing of the GOP will go nuts if marriage penalty relief and child credits are killed. These are big items on their political agenda. As for Snowe and Voinovich, both come from swing States and Voinovich in particular can't be bullied. No GOP president has ever been elected without carrying Ohio. Stay tuned…

CAMPAIGN 2004: **RACIAL PRIVACY MEASURE NOT DOING WELL IN THE LATEST CALIF. FIELD POLL.** Editor's note: The official title of UC Regent Ward Connerly's controversial initiative is *Classification by Race, Ethnicity, Color or National Origin*. The short name is the Racial Privacy Initiative. In the newest Field Poll, this measure isn't even at the 50% mark – meaning it could have trouble come March of 2004. Here's our update & analysis…

…The Field Poll was completed Apr. 1-6 with a statewide sample of 548 likely voters. Only ***11%*** have some awareness of Connerly's initiative vs. 26% back in 2002 when it was first being circulated for the ballot. Of those questioned, ***48%*** would vote YES vs. ***33%*** would vote NO, with 19% offering no opinion. Opponents note that Connerly's other controversial ballot measure, Prop. 209 to ban affirmative action, had very strong support in the early polling. It had support of around ***78%*** (Harris Poll, April 1995)…

…In the sub-groups, the Field Poll showed 60% of GOP voters are inclined to vote YES vs. only 37% of Demos. But among key independents, Connerly's initiative is getting 50%. In terms of ***regional data***, in L.A. Co. this initiative is ahead 47% to 37%, with 16% undecided. In the S.F. area, 41% support vs. 37% oppose, with 22% undecided. In No. Calif., 54% are inclined to vote YES vs. 29% NO, with 17% undecided. In other areas of So. Calif., 50% support vs. 30% opposition, with 20% undecided…

…The Racial Privacy Initiative, it would bar the State from collecting information about the racial and ethnic backgrounds of Calif. residents and using that data for public education, hiring or contracting. Ethnic data collected by law enforcement is exempt from this initiative…

…Newest member of the *Coalition For an Informed Calif.* (anti-Racial Privacy Initiative) is the powerful CA Medical Assn.(CMA). They've joined with the Public Health Inst.; the American Public Health Assn. and the CA Academy of Family Physicians. The MD groups believe the banning of racial and ethnic data could have a negative impact in treating and preventing diseases that strike people of certain ethnicities…

…FYI: the *Coalition* filed another complaint with the FPPC – trying to get Connerly to disclose the names of

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those individuals who contributed to his effort through his 501(c)4 foundation. No luck thus far. The FPPC has received the 2nd complaint, but it's the usual **no comment**. The 1st complaint was filed in July of 2002. Stay tuned…

2003-04 CONSULTANTS' DIRECTORY UPDATE

The 9th edition of ***Calpeek's Directory of Campaign Consultants*** is now off the ground. Some 420 questionnaires were recently mailed to consultants, pollsters, fundraisers, slate makers, FPPC/FEC specialists, campaign & election law attorneys and petition managers. That's about 100 more than we've ever mailed before. Solicitations for advertising will being going out in the mail soon. If you have questions about the Directory, call **Calpeek** publisher Dick Rosengarten (310) 659-0205 or email Calpeek@aol.com. PS: The back outside cover and the front insider cover have already been sold – so this new Directory is off to a great start. Stay tuned…

CAMPAIGN 2003: **L.A. MUNICIPAL ELECTION UPDATE**

Editor's note: The May 20th runoff for two L.A. City Council seats is a little more than two weeks away. Here's a brief update & analysis on the Central L.A.'s 10th CD and the San Fernando Valley's 12th CD…

◆ ***10th CD*** – This is soon to be vacant seat of *termed out* Councilman Nate Holden, who is hoping that he'll be able to see his top deputy, Deron Williams, take his place. But Williams, who had some very negative press about two weeks ago (busted 15 years ago for cocaine possession), is in a very tight race with former legislative staffer Martin Ludlow. A new poll for Ludlow by Fairbank Maslin Maullin shows Ludlow leading Williams: ***40%*** to ***34%***, with ***26%*** undecided. These new numbers are interesting because in the Mar. 4th primary, Williams finished first with 39.3% vs. 25.9% for Ludlow…

…Additionally, the L.A. Co. Federation of Labor(AFL-CIO) is pulling out all the stops to help Ludlow. This means not only money, but ground troops as well. Ludlow's own campaign has hired GOTV guru Susan Burnside to coordinate field ops for Ludlow. Smart move, because in this very low voter turnout council district, the GOTV drive has to be more than just a series of *honk & wave* car caravans through the various 10th CD neighborhoods. And while it's never safe to bet against Holden, Ludlow seems to be gaining some momentum. Insiders think this contest is still very close…

● ***12th CD*** – San Fernando Valley Councilman Hal Bernson is trying to do the same thing that Holden is: hand-off his council seat to his longtime COS Greig Smith. Smith has been with Bernson 23 years. Smith's rival is LAUSD board member Julie Korenstein. She's been on the school board longer than anyone else – 16 years. ***Calpeek*** sources say Smith is the better funded of the two and his union support (SEIU 347, LAPPL, United Firefighters of L.A., ALADS, Carpenters) is more substantial than Korenstein's – even though she won the endorsement of the L.A. Co. Federation of Labor. Fact is the County Fed is pumping everything it can into the 10th to help Ludlow and is doing little to aid Korenstein. She is getting help from United Teachers of L.A.(UTLA), but if Korenstein remains on the LAUSD board, UTLA will have a 4-3 *lock* on key votes…

…Third place finisher Paula Boland still has not endorsed either Smith or Korenstein, but sources say most of her key supporters are now backing Smith. Indirectly, behind the scenes, Boland is helping Smith. Boland campaign manager Garrett Biggs, who was a SFV city council candidate last November, recently endorsed Smith. Stay tuned…

CAMPAIGN 2004: **UPDATE ON PRIMARY CAMPAIGNS.**

Editor's note: Here is ***Part XI*** in our continuing series of updates about CA Legislative and U.S. House primaries…

☒ ***62nd AD*** – This is the seat now held by *termed out* John Longville(D-San Bernardino). Two candidates have surfaced in this Demo-leaning AD: Joe Baca Jr. and David Pruitt. Pruitt used to be COS to State Sen. Nell Soto, but most recently has been COS to San Bernardino Mayor Judy Valles. Pruitt has been endorsed by Longville, Valles and the Central Labor Council. He has hired Kaufman Campaign Consultants…

☒ ***29th AD*** – The list of potential GOP candidates lining up to challenge freshman GOP Assemblyman Steve Samuelian in this Fresno area AD seems to grow longer each day. For those who don't remember, in 1998 Samuelian was cited by the PD for soliciting an act of prostitution – but was never put on trial. He paid a $500 fine and the citation was removed. But on Feb. 1st the same thing happened – stopped by the PD while he says he was looking for the "farm bureau and got lost" – in Fresno's hooker district. This time many of his supporters pulled the plug, including U.S. Rep. George Radanovich, GOP activist Michael Der Manouel Jr., U.S. Rep. Devin Nunes and Fresno Co. GOP Chair Jane Parsons. Tons of negative publicity. Here's the list of potential GOP rivals: anti-tax advocate Chris Mathys; GOP activist Tal Cloud; Fresno Co. Sup. Bob Waterston; Ryan Turner (son-in-law to former SOS Bill Jones); Richard Caglia (ran for Fresno city council); Clovis City Councilman Nathan Magsig; former Fresno Co. Planning Comm. Kirby Molen; and perhaps even former Assemblyman Mike Briggs. However, ***Calpeek*** sources say the guy to watch is Mike Villines, Sen. Chuck Poochigian's COS & a former Wilson Admin. staffer. He might emerge as the consensus candidate…

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CALPEEK'S CALENDAR OF POLITICAL EVENTS	
May 14-16	Regional Council of Rural Counties annual meeting, Napa Valley Marriott.
May 15	58th Annual meeting, Amer. Jewish Cmt/L.A. chapter, Four Seasons Hotel, Beverly Hills.
May 17	50th anniversary of L.A. World Affairs Council – featuring UN Sec. Gen. Kofi Annan at Century Plaza Hotel, Century City.
May 20	L.A. muni runoff election.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting…

■ *Assembly GOP's Budget Plan* – Conservatives who have been holding out for months arguing that Calif.'s $35 billion in red ink should be closed by slashing spending with zero on the revenue side, have finally admitted that Calif. must borrow ***$10 billion*** (over 5 years) to close the budget gap. There's a catch: Demos have to agree to more program cuts; a spending freeze; and a ***2/3rds*** vote to raise FEES (it's the old Sinclair Paint case once again). It only takes a simply majority to raise a fee vs. a 2/3rds vote to raise a tax. Right now there's an initiative in the works backed by a coalition of Calif. labor interests to do away with the 2/3rds vote and replace it with a ***55% vote***. This latest move by Assembly Republicans probably signals that they're concerned that voters might see them as being *obstructionists* unless they finally gave some ground. Most sources agree that in order to deal with a budget gap of $26-35 billion, some revenue element was absolutely critical to solving the crisis and that cuts alone wouldn't work…

■ *Will Bush Be on Calif.'s Primary Ballot?* – Good question and Andrew LaMar of the *Contra Costa Times* gets the scoop. Turns out that the RNC's nominating convention takes place Aug. 30-Sept. 2 in New York City. The deadline – set by Calif.'s election code – says that the candidates must be certified 68 days prior to the Nov. 2, 2004 election. That means an Aug. 26th deadline. Pres. George W. Bush Jr. is not due to make his acceptance speech until Sept. 2nd. And because of the late date, CA isn't alone in having technical problems. Ditto Alabama, West VA, DC. Interesting…

■ *DCCC Gets Fined by Calif. FPPC* – The FPPC has fined the Demo Congressional Campaign Cmt.(DCCC) $80,000 for violations in connections with the 2000 election. The DCCC missed several deadlines and the $80Gs was a settlement. The FPPC had the right to fine the DCCC up to the amount of donations to various Calif. races – which in 2000 amounted to $3.1 million…

■ *Approval Ratings for Congressional Demos* – The newest Field Poll shows Californians give U.S. Sen. Dianne Feinstein(D) a job approval rating of ***49%*** vs. 28% disapprove, with 23% offering no opinion. U.S. Sen. Barbara Boxer(D) had a job approval rating of ***44%*** vs. 28% disapprove and 28% no opinion. And for the first time, the Field Poll asked Californians their opinion about Demo House Leader Nancy Pelosi(D-SF). Her job approval rating is ***36%*** approve vs. 20% disapprove, with 44% offering no opinion. Among Demos, Pelosi's approval rating was just 50% vs. 9% disapprove and a huge 44% no opinion…

…In a generic match between Demos & GOPers, this time the GOP comes out on top: 48% of Congressional GOPers vs. 42% approval for Congressional Demos. Part of the reason for this assessment is Gulf War II. GOPers were nearly unanimous in supporting Pres. Bush, whereas the Demos were divided. According to Field, this is the reason for the Demo decline in their overall job approval rating…

SOME INFO YOU NEED TO KNOW ABOUT CALPEEK.

Here is some helpful information about **Calpeek** that you may need to know. Deadlines for news and Marketplace Network: 12 noon each Wednesday. **Calpeek** is printed and mailed each Thursday. Our fax is (310)657-4340; e-mail calpeek@aol.com. **Calpeek** does NOT make refunds on cancellations...

CALPEEK'S MARKETPLACE NETWORK

● **Executive Director:** Calif. League of Conservation Voters seeks an Executive Director with experience in fundraising, management and politics to work out of its Oakland office. See www.ecovote.org for a complete job description.

● **Shaw/Yoder** is hiring a coalition membership coordinator/ grassroots organizer for a statewide coalition of private and public sector employers. Local or statewide election campaign experience a plus. Resume AND salary requirements to josh@shawyoder.org. (Only e-mail inquiries will receive response).

CALPEEK's Marketplace Network is a listing of employer and employee availabilities for those engaged in campaign consulting, public affairs, public relations, government relations and legislative advocacy. The cost for each listing is **$25** for up to **40 words**. Send ad copy with payment (*no invoicing*) to CALPEEK, Attn: Marketplace Network, P.O. Box 1468, Beverly Hills, CA 90213. For info ☎(310)659-0205...

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